Forward trading in bullion

2018. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are going to allow forward trading in bullion;

(b) if so, when such trading was stopped; and

(c) the reasons for allowing such trading now?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) In exercise of the powers conferred by the Forward Contracts (Regulation) Act, 1952, the Central Government banned forward contract for sale or purchse of gold through a gazette notification dated 13th November, 1962. According to the Reserve Bank of India (RBI), at the time of formulation of Gold Deposit Scheme in 1999, the Central Government, *vide* its notification dated 19th August, 1999 exempted all forward contracts for the sale and purchase of gold within the country from the operation of the provisions of the Forward Contracts (Regulation) Act, 1952, if one of the parties of the contract is RBI to deal in gold. However, RBI stipulated that banks launching the scheme could enter into forward contracts only with those banks that are authorized to import gold. In effect this meant that banks could not enter into such contracts with their clients.

However, banks have now gained sufficient experience in dealing with gold and have established prudent risk management procedures. Thus, RBI has allowed banks to enter into forward contracts in gold with their clients subject to certain conditions.

Utilisation of unclaimed dividends

2019. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have decided that the company dividend unpaid and unclaimed for seven years will be put in investors education and protection fund; and

(b) if so, what will be the position of such dividend lying with companies for more than seven years?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Yes, Sir. It is mandatory for companies to deposit all amounts specified in Section 205C of the Companies Act, 1956, including dividend amounts remaining unpaid and unclaimed for seven years or more as on 31-10-98 to the Investor Education and Protection Fund as provided under section 205C *ibid* and Rules made thereunder.

Rate of interest on deposits

†2020. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the number of times the rate of interest on term deposit has been reduced by banks during the last three years and by how much;

(b) whether Government are aware of the difficulties faced by middle class and senior citizens, who are dependent on interest of the sum deposited in banks, as a result of continuously reducing interest rates on term deposit; and

(c) if so, whether Government would review the continuous reduction on interest rates on term deposit in view of difficulties faced by middle class and senior citizens?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Reserve Bank of India (RBI) has reported that with effect from 22nd October, 1997 it has given freedom to commercial banks to fix their own interest rates on Domestic Term Deposits of various maturities with prior approval of respective Board of Directors/Asset Liability Management Committee (ALCO). As such the rates of interest on deposits are being determined by the banks themselves. The term deposit rates of the Public Sector Banks during the last three years have been as follows:

	March, 2000	March, 2001	March, 2002	July, 2002
Deposit Rates	5.00-11.00	4.00-10.50	4.25-8.75	4.25-8.25

(b) and (c) Based on the representations received from senior citizens and with a view to partly meeting the hardships faced by the senior citizens

†Original notice of the question was received in Hindi.